

News Release

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U.S. INDUSTRY BUYS 402 MILLION POUNDS OF BURLEY TOBACCO

WASHINGTON, November 21, 1997 --The Farm Service Agency today announced that U.S. cigarette manufacturers bought 402.4 million pounds (farm sales weight) of burley tobacco during the 1996 marketing season, October 1, 1996, through September 30, 1997.

The manufacturers' purchase intentions for the 1996 crop were 424 million pounds. Actual purchases were 95 percent of intended purchases.

The Agricultural Adjustment Act of 1938, as amended, requires that each major cigarette manufacturer buy at least 90 percent of its purchase intentions to avoid the assessment of a penalty, if producer marketings equal or exceed the effective national quota. In accordance with provisions of the Act, because producer marketings fell below the effective national quota, the manufacturers' purchase requirements were reduced to 64.5 percent of their previously stated intentions.

Further program information is available from Verner Grise, telephone (202) 720-5292, e-mail address vgrise@wdc.fsa.usda.gov

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NOTE: Farm Service Agency (FSA) news releases and media advisories are available on the World Wide Web at FSA's Home Page: <http://www.fsa.usda.gov>